

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 392 - SB 1812**

March 2, 2009

**SUMMARY OF BILL:** Creates a new offense, punishable as theft, for a manager, trustee, or officer of a pension fund intentionally to cause detriment to the pension fund. Establishes, in addition to any other fine imposed, civil cause of action against such person for reimbursement of funds.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$134,700/Incarceration\***

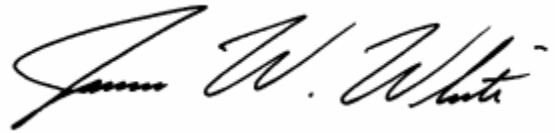
Assumptions:

- Theft is currently punished according to the value of the property or services obtained ranging from a Class A misdemeanor to a Class B felony.
- Estimate assumes the value of pension funds would be in excess of \$60,000 which would constitute a Class B felony. The Department of Correction (DOC) estimates one person per year would be convicted of a Class B felony as a result of this bill.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. No significant incarceration cost increase will occur due to population growth in this period. The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on one offender.
- According to DOC, the average operating cost per offender per day for calendar year 2009 is \$59.80.
- According to DOC, the average post-conviction time served for a Class B felony is 6.17 years. The cost per offender at 6.17 years is \$134,727.00 (\$59.80 x 2,252.96 days).
- Since this bill creates a new offense, no recidivism discount has been included.
- Any impact for the state trial courts can be accommodated within existing resources.

*\*Tennessee Code Annotated, Section 9-4-210, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/lsc